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House Stays On Course: Cutting Taxes; Cutting Bureaucracy; Helping Schools

Washington DC – Not distracted by Washington scandals, the House of Representatives is moving steadily to reduce taxes and to reduce federal education bureaucracy, according to Congressman Ernest Istook (R-OK). Less bureaucracy means more dollars in the classroom, he says, and the tax cuts should average at least \$250 for every married couple in the country.

“We’re staying focused on our goals,” Istook said. “We’re keeping the budget balanced. We’re making sure the surplus helps taxpayers to keep more of what they earn, instead of getting spent on more federal programs. And we’re cutting the federal red tape that has been so expensive, and has hurt local control of our schools.”

Today, the House of Representatives votes on the Dollars to the Classroom Act which cuts expensive red tape by combining 31 federal education programs into a single, flexible grant program, so local schools can decide how best to spend this money.

Currently, only 65% of every dollar spent by the U. S. Department of Education reaches the classroom. The Dollars to the Classroom Act says 95% of all federal dollars should go to the classroom,. It does this by cutting federal bureaucracy and eliminating the costs to local schools of applying for a series of limited-purpose grants. By doing this, Oklahoma schools should receive \$12-million more in federal funds than they do now.

Also, the House Ways and Means Committee is starting action on the 1998 Taxpayer Relief Act -- a \$80 billion tax cut targeted toward middle-class Americans. The tax cut will use only about 10% of the federal budget surplus over the next five years, leaving 90% to strengthen Social Security and to pay down the national debt.

The tax relief bill eliminates the marriage penalty by increasing the standard deduction for married couples. It also encourages savings, by exempting \$200 per person in interest and dividend income. The bill also simplifies income tax returns for several million taxpayers, lets senior citizens earn more without losing Social Security benefits, reduces inheritance taxes, and lets self-employed persons deduct the full costs of their health insurance.

“Taxpayers deserve to keep more of what they earn,” said Istook. “And while we’re reducing taxes, we need to do it in a way that strengthens families. Husbands and wives have been forced to pay extra income tax for the privilege of being married. That’s wrong. We’re ending the marriage penalty, and telling people we want their marriage and their family to stay together.”

“And the rest of the good news is that this is only another step toward more tax relief. We want to cut taxes again next year.”